



State of Louisiana
DEPARTMENT OF NATURAL RESOURCES
OFFICE OF MINERAL RESOURCES
STATE MINERAL AND ENERGY BOARD

TO: State Mineral and Energy Board Members

FROM: Victor M. Vaughn *vm*
Geologist Administrator
Geological & Engineering Division

DATE: February 9, 2011

Lease Review Committee Agenda

The regular meeting of the Lease Review Committee of the State Mineral and Energy Board is scheduled to be held on Wednesday, February 9, 2011 at 9:30 am in the La Belle Room, First Floor, LaSalle Building located at 617 North Third Street, Baton Rouge, Louisiana.

I. Geological and Engineering Staff Review

According to SONRIS there are 1797 active State Leases covering nearly 833,000 acres. The Geological and Engineering Division has reviewed approximately 175 leases covering 68,000 acres.

II. Committee Review

1. A staff report on State Lease 199-A-1, Bay St. Elaine Field Selection, Designated Area located in Terrebonne Parish. Burlington Resources Oil & Gas Co., LP is the lessee.
2. A staff report on State Lease 724, Four Isle Dome Field, located in Terrebonne Parish. Burlington Resources Oil & Gas Co., L.P. is the lessee.
3. A staff report on State Lease 173, Caddo Pine Island Field located in Caddo Parish. Gemini and Rock Well Petroleum are lessees.

III. Report on Force Majeure

1. Staff request that the Board recognize new majeure conditions affecting three companies:
 - a. A request by Black Elk Energy for the recognition of a Force Majeure condition beginning January 12, 2011 due to the inability to acquire a workover rig to restore production to the SL 4238 Well No. 14 affecting State Lease 4238.
 - b. A request by Forest Oil Corporation for the recognition of a Force Majeure condition beginning January 14, 2011 due the inability to secure permits to perform dredging operations necessary to move in a workover rig for the saltwater disposal well affecting Operating Agreements A0295 and A0298.
 - c. A request by ORX Resources LLC on behalf of Hilcorp Corporation for the recognition of a Force Majeure condition beginning December 23, 2010 due to the low water level restricting access to a plugged flowline affecting Operating Agreement A0021.

2. Staff request the Board accept the Force Majeure update.

Updated 1/28/11

Company Name	Lease Numbers
Leases Off Production Due to Non-storm Related Force Majeure Events	
Black Elk	4238
Forest Oil Corporation	A0295, A0298
IG Petroleum	A0232
ORX Resources LLC (on behalf of Hilcorp)	2203, A0021
Sylvan Energy	1337

The Committee may discuss other matters as it desires pursuant to R.S. 42:7(A)(1)(b)(ii) as well as Executive Session matters pursuant to R.S. 42:6.1(A)(2) and R.S. 42:6.1(A)(6).